Stakeholder Types

# Theoretical frameworks

### Latent, expectant, derivative

Mitchell et al. (1997) describe eight qualitative classes of stakeholders based on combinations of power, legitimacy, and urgency:

Table : Seven stakeholder types and three classes defined by combinations of power, legitimacy, and urgency (Mitchell et al., 1997). The three classes are determined by whether a stakeholder has one, two, or all three characteristics.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Type** | **Characteristics** | **Class** |
| 1 | Dormant | Power | Latent |
| 2 | Discretionary | Legitimacy | Latent |
| 3 | Demanding | Urgency | Latent |
| 4 | Dominant | Power + Legitimacy | Expectant |
| 5 | Dangerous | Power + Urgency | Expectant |
| 6 | Dependent | Legitimacy + Urgency | Expectant |
| 7 | Definitive | Power + Legitimacy + Urgency | Definitive |

# Empirical frameworks

Buysse and Verbeke (2003) study of stakeholder salience to environmental strategy and environmental action plans used a survey of which stakeholder groups mattered to the firm's strategy, with the following stakeholder groups. They use a principal components analysis to sort the groups into four factors:

* External primary stakeholder
  + Domestic customers,
  + International customers,
  + Domestic suppliers,
  + International suppliers,
* Internal primary stakeholders
  + Employees,
  + Shareholders,
  + Financial institutions,
* Secondary stakeholders
  + Domestic rivals,
  + International rivals,
  + International agreements,
  + Environmental NGOs,
  + Media,
* Regulatory stakeholders
  + National (and regional) governments, and
  + Local public agencies.

Airline industry stakeholder groups identified in an economic model estimating value creation (Lieberman, Garcia-Castro, & Balasubramanian, 2017):

* Customers,
* Fuel suppliers,
* Other suppliers,
* Shareholders and other capital providers, and
* Employees

Stakeholder groups essential to a firm's survival (Tantalo & Priem, 2016):

* Customers
* Financiers (including shareholders
* Suppliers
* Employees
* Communities

Tantalo & Priem (2016) provide guidance on two questions: (1) how to identify *ex post* how much stakeholder synergy a firm exhibits in its strategic choices and (2) how to identify *ex ante* whether a firm has opportunities for across-stakeholder complementarities (Tantalo & Priem, 2016, pp. 322–323). They use a utility-function approach and argue each stakeholder group has different utility functions but it is possible for firms to find strategic actions that increase multiple stakeholder utilities without decreasing any. The following strategies are thus available to firms:

* Customer-oriented business strategy,
* Supplier-oriented,
* Employee-oriented,
* Investor-oriented, and
* Community-oriented
* [No government/regulatory or activist/monitoring]

Tantalo & Priem (2016) identify the following stakeholder groups in the example analysis of Southwest Airlines:

* Customers
* Employees
* Investors
* Suppliers
* Communities

Tantolo & Priem (2016) identify the following stakeholder groups for Ferrero:

* Suppliers of high-quality chocolate
* Communities around chocolate-producing suppliers
* Consumers

Harrison, Bosse, and Phillips (Harrison, Bosse, & Phillips, 2010)

* Primary
  + organizational members (employees and managers)
  + customers
  + suppliers
  + firm owners (stockholders, partners, members)
  + others